

Message Text

CONFIDENTIAL

PAGE 01 ABIDJA 07502 180843Z

13

ACTION AF-18

INFO OCT-01 EB-11 ISO-00 AGR-20 FEA-02 L-03 SWF-02 AID-20

CIAE-00 DODE-00 INR-11 NSAE-00 PA-04 RSC-01 USIA-15

PRS-01 SP-03 TRSE-00 XMB-07 IO-14 DRC-01 /134 W

----- 052730

R 171620Z SEP 74

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 232

C O N F I D E N T I A L ABIDJAN 7502

FOR LOUGHRAN AF/W FROM AMBASSADOR

E.O. 11652: GDS

TAGS: ETRD, EFIN, EGEN, IV

SUBJECT: LANG AFRIQUE STATUS--DISCUSSION WITH MINPLAN DIAWARA

REF: ABIDJAN 7420

1. SUMMARY: EMBASSY'S CAUTIOUSLY HOPEFUL CONCLUSIONS (REFTEL)
ON ISC/LANG
AFRIQUE MEETINGS WITH IVORIAN OFFICIALS LAST WEEK RECEIVED SERIOUS SET-

BACK WHEN I MET LATE MONDAY WITH MINPLAN MOHAMED DIAWARA ON ANOTHER
TOPIC AND SOUGHT ALSO TO THANK HIM FOR HIS ASSISTANCE TO ISC/LANG
REPRESENTATIVES. AGREEMENT TO PAY LANG \$1,000,000 HAS BECOME UNSTUCK.

2. DIAWARA SIAD MINFIN BEDIE HAD LEFT INSTRUCTIONS WITH CAISSE
AUTONOME D'AMORTISSEMENT TO TRANSFER ONE MILLION DOLLARS TO LANG IN
ACCORDANCE WITH AGREEMENT REACHED LAST WEEK. BEFORE DOING SO, CAISSE
HAD ROUTINELY CHECKED WITH DIRECTOR KIGBAFORAY AT SODESUCRE. LATTER
OBJECTED, ON GROUNDS PAYMENT SHOULD BE TO SODESUCRE AND THEN TOLD
DIAWARA HE DID NOT YET HAVE ALL LANG'S BILLS AND THAT RETENTION PAY-
MENTS SHOULD NOT BE RELEASED UNTIL JOB COMPLETED.

3. KIGBAFORAY'S STATEMENT, AS DESCRIBED BY DIAWARA, WOULD APPEAR OUT
OF LINE WITH LANG'S STATEMENT TO US THAT ALL CURRENT BILLS HAVE BEEN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ABIDJA 07502 180843Z

SUBMITTED AND THAT SOME OF RETENTION PAYMENTS ARE NEEDED NOW RATHER

THAN AT END OF PROJECT IN ORDER TO PAY SUPPLIERS.

4. EVEN THOUGH ISC/LANG REPRESENTATIVES MET WITH KIGBAFORO (IN MEETING AT WHICH EMBASSY WAS UNFORTUNATELY NOT REPRESENTED) AFTER FIRST SEEING BEDIE AND DIAWARA, IT WOULD APPEAR THEY DID NOT REACH AGREEMENT ON DETAILS AFTER ALL. OTHERWISE, IT MAY BE THAT KIGBAFORO'S NOSE IS STILL OUT OF JOINT BECAUSE THEY WENT TO MINISTERS (REFTEL PARA 9C), AND HE HAS THROWN SPANNER INTO REFINERY.

5. DIAWARA IS MOST CONCERNED TO GET REFINERY COMPLETED IN NOVEMBER IN ORDER THAT IT CAN REFINER NEXT SUGAR HARVEST. HE IS TROUBLED THAT BEDIE PROMISED PAYMENT OF ONE MILLION DOLLARS NOW TO LANG AS QUID PRO QUO FOR NOVEMBER COMPLETION. NEVERTHELESS, DIAWARA REMAINS VERY CRITICAL OF LANG (SEE BELOW) AND CANNOT HIMSELF ORDER PAYMENT, NOR EVEN RECOMMEND IT, IN LIGHT OF LATEST KIGBAFORO LETTER. I POINTED OUT THIS WOULD PROBABLY MEAN DELAY IN COMPLETION.

6. DIAWARA LEAVES TODAY (TUESDAY) FOR USA BUT WILL BE IN DETROIT FOR WORLD ENERGY CONFERENCE UNTIL END OF NEXT WEEK, AND ONLY REACHES WASHINGTON ON SEPTEMBER 29, EVE OF IBRD/IMF MEETINGS, WHERE BEDIE IS THIS SESSION'S CHAIRMAN AND DIAWARA IS ALTERNATE GOVERNOR FOR GOIC. HE PROPOSES TO CONTACT DAVID MORSE, LAWYER FOR ISC/LANG, IN WHOM HE, DIAWARA, PLACES GREAT CONFIDENCE, TO SIT DOWN AFTER THE FIRST COUPLE OF DAYS OF IBRD SESSION TO SORT OUT THE LANG PROBLEMS. DIAWARA WILL CONSULT WITH BEDIE FIRST AND, IF IT SEEMS APPROPRIATE, WILL GET KIGBAFORO TO COME TO WASHINGTON TO JOIN IN NEGOTIATIONS.

7. DIAWARA CONSIDERS THAT MATTERS HAVE NOW REACHED POINT OF A DISTASTEFUL COMMERCIAL DISPUTE AND ONLY FINAL WAY TO RESOLVE IT WILL BE BETWEEN THE TWO PARTIES, LANG AND SODESUCRE, BUT HE WANTS OVERALL REVIEW WITH MORSE FIRST.

8. DIAWARA AGREED THAT, IN VIEW OF CERTAIN DELAY IN PAYMENT TO LANG, IT WOULD BE USEFUL FOR EMBASSY TO INFORM DEPARTMENT OF STATE OF THIS SITUATION AND ALSO INFORM DAVID MORSE THAT DIAWARA ANXIOUS TO SEE HIM. I EVEN SUGGESTED POSSIBILITY THAT, IN VIEW OF TIME PRESSURE ON LANG, MORSE MIGHT GO TO DETROIT TO SEE DIAWARA, BUT HE PREFERRED WAIT UNTIL HE GETS TO WASHINGTON.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ABIDJA 07502 180843Z

9. SUGGEST ABOVE BE PASSED TO MORSE FOR HIM TO PASS TO HARLAN STEIN AT ISC HOUSTON. STEIN WAS MORE MODERATE OF TWO NEGOTIATORS AND MORE LIKELY TO REACT COOLLY TO THIS NEWS THAN RAY HOFKER.

10. IN MEANTIME, WE SHALL TRY TO SEE KIGBAFORO TO GET HIS VERSION OF SITUATION, AND WE SHALL REPORT THEREON.

11. FOR DEPARTMENT'S INFORMATION ONLY: DIAWARA WAS ELOQUENT IN HIS

CRITICISM OF WHOLE HISTORY AND PROGRESS OF LANG OPERATION. CONTRACT HAD BEEN A TERRIBLE ONE, SIGNED BY GOIC WITHOUT BENEFIT OF LEGAL ADVICE AND PRIOR TO DATE WHEN BIDDING PERIOD SCHEDULED TO CLOSE. DIAWARA POINTEDLY SAID HE HAD BEEN IN EUROPE WHEN THIS ACTION WAS TAKEN--BY BEDIE* UPON HIS RETURN HE CRITICIZED BEDIE BUT, WITH A VIEW TO INTERGOVERNMENTAL SOLIDARITY, HE HAD PUBLICLY SUPPORTED THE PROJECT. TRADITIONAL IVORIAN SUPPLIERS (READ "FRENCH") ARE NOW LAUGHING AT GOIC FOR THE TECHNICAL FAILURES, DELAYS AND HIGHER COSTS OF THIS PROJECT. DIAWARA CONSIDERS THERE HAVE BEEN TOO MANY TECHNICAL MISTAKES FOR AN AMERICAN COMPANY. LACK OF PRIOR EXPERIENCE IN BUILDING SUGAR REFINERIES AND IN WORKING IN AFRICA HAD REALLY HURT THEM. I INTERPOSED COMMENTS ABOUT THE BUGS HAVING NOW BEEN WORKED OUT, THE EARLIER LOST SUGAR CROP NOT HAVING BEEN A SIGNIFICANT ONE, SOME DELAYS HAVING BEEN DUE TO PETROLEUM CRISES, ETC., BUT THESE DID NOT MODIFY HIS CONTEMPT FOR LANG OPERATION. HE COMPARED IT TO JOB KAISER DID ON BANDAMA DAM WHERE, AMONG OTHER THINGS, THEY SAVED \$12 MILLION BETWEEN ORIGINAL BUDGET AND FINAL COST OF CONSTRUCTION. HE MADE CLEAR THIS PROJECT HAS HURT AMERICA'S BUSINESS REPUTATION IN IVORY COAST AND "WE NEED ANOTHER BIG AMERICAN-BUILT PROJECT TO OFFSET IT".

12. COMMENTS: ISC/LANG REPS PUT GREAT STRESS ON NEED FOR ONE MILLION DOLLAR PAYMENT SOON. I DON'T KNOW WHAT THIS DELAY OF AT LEAST THREE WEEKS FROM THEIR VISIT WILL DO TO PROJECT. IT MAY BE THAT MORSE CAN GET DIAWARA TO FOCUS ON TIMELINESS OF PAYMENTS PROBLEM SOONER. RELEASE OF FUNDS DEPENDS ON DIAWARA-BEDIE-MORSE DISCUSSIONS, RECTIFICATION OF KIGBAFORI'S OPPOSITION, AND NEW BEDIE INSTRUCTIONS TO CAISSE. I DO BELIEVE IT WOULD BE HELPFUL FOR PROPERLY EDITED VERSION OF ISC/LANG AIDE MEMOIRE TO GO FROM MORSE TO DIAWARA AND BEDIE IN FRENCH. DESPITE ALL EARLIER TALK ABOUT THIS DOCUMENT, IT WAS STILL IN PENCIL-EDITED ENGLISH DRAFT WHEN STEIN AND HOFKER CAME HERE LAST WEEK. THERE WAS NO TRANSLATION. THEY DECIDED NOT TO DISTRIBUTE IT TO ANY IVORIANS WHEN TALKS APPEARED CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ABIDJA 07502 180843Z

TO GO WELL. NOW, HOWEVER, IT SEEMS TO ME THIS IS NEEDED, TO ADMIT TO SOME OF THEIR MISTAKES, JUSTIFY OTHERS AND COUNTER INCORRECT INFORMATION CURRENTLY KNOWN TO DIAWARA FROM KIGBAFORI AND OTHERS. I PLAN TO WAIT UNTIL AFTER I HAVE SEEN KIGBAFORI TO INFORM LANG AFRIQUE REPS HERE OF SUBSTANCE OF PARAS TWO THROUGH EIGHT. SMITH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, CONSTRUCTION, REFINERIES, BANK LOANS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ABIDJA07502
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740261-0502
From: ABIDJAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740940/aaaabhyk.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ABIDJAN 7420
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 29 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 AUG 2002 by shawdg>; APPROVED <03 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LANG AFRIQUE STATUS--DISCUSSION WITH MINPLAN DIAWARA
TAGS: ETRD, EFIN, EGEN, IV, LANG AFRIQUE, ISC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005